



*RENEWABLE  
ENERGY  
PROGRAM*

CALIFORNIA  
ENERGY  
COMMISSION

**EXISTING  
RENEWABLE  
FACILITIES  
PROGRAM**

**~~SECOND~~THIRD EDITION**

**DRAFT GUIDEBOOK**

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Arnold Schwarzenegger, Governor

3) the funds-adjusted price for the tier. The funds-adjusted price is calculated as follows:

- a) divide the total funds available in a month by the total payments due that month (as calculated using the minimum of formulas (1) and (2) above) to obtain an adjustment fund multiplier (AFM)), and
- b) multiply the minimum of formula (1) and (2) by the AFM to determine the funds-adjusted price for each facility.

The pre-determined target prices and incentive caps for each tier are shown in Table 1 below.<sup>2</sup> The Energy Commission may adjust the target prices and incentives caps if appropriate to reflect changing market and contractual conditions and to account for inflation.

Effective November 1, 2005, the target price and incentive cap for Tier 1 biomass facilities **ONLY** will be increased by 0.8 cents/kWh and 0.5 cents/kWh, respectively for eligible generation produced from November 1, 2005 through April 30, 2006. The target price will be 6.17 cents/kWh and the incentive cap will be 1.5 cents/kWh for Tier 1 biomass facilities during this period.

Effective May 1, 2006, the target price and incentive cap for Tier 1 biomass facilities **ONLY** will be increased by 0.5 cents/kWh above the ~~current level~~ adopted in February 2003, for eligible generation produced from May 1, 2006 through ~~June 30~~ December 31, 2006. The target price and incentive cap for Tier 1 biomass facilities during this period will be 5.87 cents/kWh and 1.5 cents/kWh, respectively.

**Table 1**  
**Target Prices and Payment Caps**  
**for Existing Renewable Facilities**  
**(cents per kWh)**

		2002	2003	2004	2005*	2006*
Tier 1 (Biomass, Solar Thermal)	Target Price	5.50	5.37	5.37	5.37	5.37
	Cap	1.0	1.0	1.0	1.0	1.0
Tier 2 (Wind)	Target Price	3.8	3.8	3.8	3.8	3.8
	Cap	1.0	1.0	1.0	1.0	1.0

\* The Target Price for Tier 1 biomass **ONLY** will be 6.17 cents/kWh for November 1, 2005 through April 30, 2006 generation, and 5.87 cents/kWh for May 1, 2006 through ~~June 30~~ December 31, 2006 generation. The Cap for Tier 1 biomass **ONLY** will be 1.5 cents/kWh for November 1, 2005 through ~~June 30~~ December 31, 2006 generation.

<sup>2</sup> The target prices and caps shown in Table 1 differ from those in the Commission's Investment Plan, *Investing in Renewable Electricity Generation in California (P500-00-022, June 2001)*, due to changes in market conditions since the Investment Plan was published.